

# **EXHIBIT A**



## American Dairy Queen Corporation

### **NOTICE OF TERMINATION OF FRANCHISES**

January 30, 2025

CERTIFIED MAIL RETURN RECEIPT REQUESTED  
& EMAIL: [mdaniels@mimiscake.com](mailto:mdaniels@mimiscake.com)

PROJECT LONESTAR, INC.  
Elite Restaurant Group, Inc.  
Elite Ltd. / Michael J. Nakleh  
466 Foothill Blvd. #356  
La Canada, CA 91011-3518

Re: Termination of Multiple Project Lonestar Restaurants

Dear Licensee:

American Dairy Queen Corporation ("ADQ") sent you separate Notices of Default for failing to comply with your DAIRY QUEEN® franchise agreements outlined on the attached Exhibit (collectively, the "Agreements"). The Notices of Default explained that you had failed to operate and maintain your restaurants (collectively, the "Restaurants") in accordance with ADQ's building, equipment and signage requirements and maintenance schedules and/or that you had failed to modernize your restaurants as required by your Agreements (the "Defaults"). You failed to cure the Defaults within the Default Cure Periods, and ADQ had the right to terminate the Agreements.

You then entered into a Mutual Cancellation and Release dated September 24, 2024 (the "Mutual Cancellation") which allowed you to defer termination of the Agreements and gave you the opportunity to sell the business assets for each Restaurant. You failed to meet the requirements of the Mutual Cancellation for these Restaurants, because you did not identify a buyer for each of them within the required timeline. In addition, you did not submit when due all Store Monthly Reports (SMRs) and accompanying fees during the term of the Mutual Cancellation as required.

The license and other rights granted to you under the Agreements and any other agreements you may have with ADQ are terminated effective as of the date of this letter ("Termination Date"), for these Restaurants only, based on your failure to meet the requirements of the Mutual Cancellation. Note that this terminates only your rights to operate these Restaurants. Your Agreements remain in effect for any other locations currently being operated under the Agreements or not included on the Exhibit.

Effective immediately, ADQ requires that you cease operating the Restaurants as DQ® businesses and complete the following post-termination obligations:

- Within 10 days after the Termination Date, submit all outstanding Store Monthly Reports and pay all fees and any other amounts due for these franchises that accrue before the last day of business for each of the Restaurants including, but not limited to, Children's Miracle Network contributions. Please contact Senior Collections Analyst Sheila Ricci if you have any questions about any outstanding amounts that may be due on your account for these Restaurants.
- Within 20 days after the Termination Date, remove from each of the premises all signage, point-of-sale material, manuals, copyrighted photography, and materials and imprinted merchandise that bear any of ADQ's trademarks.
- Pursuant to many of your Agreements and as shown on the Attachment, you are obligated to pay a Termination Fee to ADQ within 30 days after the Termination Date. We have calculated the total amount due for all Restaurants to be **\$1,599,244.00**.
- Discontinue the use of all trademarks, service marks, and trade names, as well as all other derivative trademarks, service marks, and trade names of ADQ for these Restaurants.
- Remove all proprietary products and ingredients from these Restaurants.
- Remove any computer software you may have which uses any of ADQ's trademarks and designs relating to the Restaurants.
- Remove from the Internet any web sites which use any of ADQ's trademarks and designs relating to these Restaurants and cancel all domain names you have that include any of our trademarks.
- If you have a DQ® mobile app, you must remove it from any App Store.
- If you have any agreements with your beverage supplier or other suppliers for your Restaurants, you will be responsible for satisfying all obligations you may have under your agreements with those suppliers.
- It is your responsibility to contact First Data to deactivate your gift card account and Merchant ID with them. **You can reach the First Data Help Desk at 1-866-874-7901.**
- The post-termination obligations include a non-compete provision which is outlined in Section 4.c of the Mutual Cancellation, and which ADQ will enforce for one year after the Termination Date. This obligation survives the termination of the Restaurants.

Be aware that your Agreements for these Restaurants are terminated and there is no opportunity to relocate, sell, transfer, or assign the franchises.

Sincerely,

AMERICAN DAIRY QUEEN CORPORATION



Cynthia M. Klaus  
Associate General Counsel  
952/830-0313  
Email: [Cyndi.Klaus@idq.com](mailto:Cyndi.Klaus@idq.com)

cc: David Yerushalmi ([david.yerushalmi@verizon.net](mailto:david.yerushalmi@verizon.net))  
David Giacone      Charlie Dyer      Tim Oualline  
Jeff Barnhart      Brad Cleveland      George ElQasses  
Don Packard      Sara Broze      Serena Tritschler  
Janine Diedrich      Sheila Ricci      Michael Nienaltowski  
Abbie Weeks

Certified Number: 9414811206206406077684

**EXHIBIT A**  
**Notice of Termination of Franchises**  
**January 29, 2025**

<b><u>Store#</u></b>	<b><u>City, State</u></b>	<b><u>Address</u></b>	<b><u>Contract &amp; Date</u></b>	<b><u>Termination Section</u></b>	<b><u>Termination Fee</u></b>
13384	Pflugerville, TX	1701 W Pecan St	DAIRY QUEEN® Operating Agreement May 21, 1993	N/A	\$0
13889	Buna, TX	34250 US Hwy 96 S	DAIRY QUEEN® Operating Agreement January 1, 1998	12.C	\$53,507
13896	Canadian, TX	301 N 2 <sup>nd</sup> St	DAIRY QUEEN® Operating Agreement June 1, 1987	N/A	\$0
13902	Carthage, TX	1001 E Sabine St	DAIRY QUEEN® Operating Agreement June 1, 1994	N/A	\$0
13919	Cleveland, TX	515 S Washington Ave	DQ® Operating Agreement October 1, 2009	13.B.4	\$89,588
14004	Dayton, TX	104 Hwy 90 East	DAIRY QUEEN® Operating Agreement January 1, 1998	12.C	\$41,738
14024	Diboll, TX	202 N Temple Dr	DAIRY QUEEN® Operating Agreement January 1, 1998	12.C	\$38,554
14077	Farmers Branch, TX	2421 Valwood Pkwy	DAIRY QUEEN® Operating Agreement December 31, 2007	13.B.4	\$89,341
14127	Franklin, TX	304 E US Hwy 79	DQ® Operating Agreement December 1, 2008	13.B.4	\$85,875
14135	Fritch, TX	609 W Broadway St	DQ® Operating Agreement December 1, 2008	13.B.4	\$104,643
14203	Hereford, TX	801 E Park Ave	DQ® Operating Agreement December 1, 2008	13.B.4	\$103,253
14276	Huffman, TX	24022 E Lake Houston Pkw	DAIRY QUEEN® Operating Agreement January 1, 1998	12.C	\$60,924
14281	Huntsville, TX	602 Interstate 45 S	DQ® Operating Agreement October 1, 2009	13.B.4	\$102,287
14286	Idalou, TX	108 Chestnut St	DQ® Operating Agreement December 1, 2008	13.B.4	\$102,622
14299	Hillsboro, TX	1509 Corsicana Hwy	DQ® Operating Agreement October 26, 2011	13.B.4	\$90,114

14361	Longview, TX	4101 Gilmer Rd	DAIRY QUEEN® Franchise and License Agreement September 23, 1975	N/A	\$0
14440	Nacogdoches, TX	3121 North St	DQ® Operating Agreement October 1, 2009	13.B.4	\$74,331
14456	Olton, TX	1612 US Hwy 70 W	DQ® Operating Agreement December 1, 2008	13.B.4	\$84,077
14469	Panhandle, TX	Hwy 60 E	DAIRY QUEEN® Operating Agreement June 1, 1987	N/A	\$0
14541	Rusk, TX	175 N Dickinson Dr	DQ® Operating Agreement October 1, 2009	13.B.4	\$65,602
14619	Sour Lake, TX	345 Hwy 105 W	DQ® Operating Agreement October 1, 2009	13.B.4	\$71,996
14657	Tomball, TX	14421 FM 2920 Rd	DQ® Operating Agreement December 1, 2008	13.B.4	\$150,914
14697	Waskom, TX	580 N Interstate 20 E	DAIRY QUEEN® Operating Agreement June 1, 1994	N/A	\$0
42475	Hewitt, TX	200 Legacy Dr	DQ® Operating Agreement April 29, 2010	13.B.4	\$160,775
43885	North Richland Hills, TX	5441 Rufe Snow Dr	DQ® Operating Agreement September 12, 2014	13.B.4	\$118,689